



## KSRRRA Still Working to Reduce PUC Assessments

Members of the Keystone State Railroad Association met with the Public Utility Commission (PUC) this month to formally present a study prepared by Ben Dunlap of the law firm of Nauman Smith for the Association. The study was commissioned to help the PUC streamline their operations that regulate the railroads and help to cut the costs that our industry has to pay the PUC for this oversight. The report contains several recommendations, which we believe don't require legislative action, on how the PUC can oversee our railroads more efficiently. Last year the PUC changed the formula it uses to figure out the annual assessments for railroads operating in Pennsylvania. This resulted in some railroads receiving upwards of 800% increases in their annual bill from the PUC and has been a significant burden to our railroads in tight economic times. KSRRRA has been working ever since these assessments were first received last year to try and alleviate this unwarranted "tax" on our industry and this report is our good faith effort to help the PUC to accomplish that goal.

## KSRRRA Pushes Congress for Tax Credit Bills

The Keystone State Railroad Association recently wrote to the Pennsylvania Congressional delegation in Washington urging them to consider and vote for two tax credits that are currently being considered in this Congress, the Extension and Modification of the Railroad Track Maintenance Credit (HR. 1132 and S. 461, also known as the "Short Line Tax Credit") and the Freight Rail Infrastructure Capacity Expansion Act (HR. 1806/HR. 1789/HR. 272, also known as the "Infrastructure Tax Credit"). These two tax credits are critical to provide necessary financial support to the freight railroads in Pennsylvania to help them improve and expand their track infrastructure to support economic growth in the Commonwealth.

Please contact your member of Congress and Senators Casey & Specter to let them know you support these bills as well.

## KSRRRA and RFAC Adopt Tax Credit Resolutions

The Board of Directors of the Keystone State Railroad Association adopted a resolution to urge the Pennsylvania Congressional Delegation to sign on and pass the Short Line Tax Credit extension and the Infrastructure Tax Credit or the Class I tax credit at its summer board meeting July 21<sup>st</sup>. The Rail Freight Advisory Committee adopted a similar resolution at their meeting the next day. Our hope is that the delegation will support these tax credit bills which are so important to our industry and the Commonwealth.

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## Changes in the Senate Transportation Committee

Senator Rob Wonderling surprised us last month when he announced he was leaving the PA Senate to take over the Greater Philadelphia Chamber of Commerce as its CEO. Having just taken over the committee after Sen. Madigan retired, Sen. Wonderling did a great job in the short time he held the chair and we are grateful for the help he has provided our industry on a number of issues. The Senator's last day was July 27<sup>th</sup> and we look forward to working with the new chair when he is chosen by his/her colleagues.

And just last week, the Executive Director of the Transportation Committee Craig Shuey announced he will be leaving the Senate as well. Craig will be departing to take over the Director of Government Affairs position at the PA Turnpike. Craig was an incredible asset to the PA Senate and his knowledge of transportation issues, particularly those facing the rail industry will be greatly missed. We wish Craig all the best as he assumes his new position.

## Budget Update

The Pennsylvania budget is now one month late and in the hands of a conference committee. A conference committee is composed of three members each of the House and Senate and is tasked with working out differences in the proposed budgets. Both the House and Senate have passed budgets that contain virtually the identical amount for the Rail Freight Assessments Program (RFAP), \$10,356 million as is contained in last years budget. In fact, this is one of the few line items that has not received a significant cut.

Rail capital budget money (RTAP) is not contained in the General Fund budget but is agreed to by the House, Senate and Governor as part of the budget negotiations. There has been some talk in the Capitol of shifting some RFAP money to RTAP. The KSRRRA Board has taken a position in opposition of this change and that has been conveyed to the Legislature. We will keep members informed as the budget process continues to adoption of a final budget.

## Legislative Update

Below is a list of all bills that KSRRRA staff and lobbyists are currently monitoring. This information is also posted on the KSRRRA website—[www.ksrra.com](http://www.ksrra.com)—and is updated periodically.

### **HB 586 - (Markosek)**

(PN 643) Amends Title 74 (Transportation) creating a chapter on advanced multimodal traveler information (Intelligent Transportation Systems). The PENNDOT would be designated the lead agency for implementing 511 service and is the point of contact for coordinating 511 service with telecommunications service providers. The department would promulgate rules and regulations as necessary to implement this chapter.

**Status: House Transportation**

### **HB 993 - (Schroder)**

(PN 1385) The Highway Fund Restricted Spending Act imposes restrictions on the use of highway funds from the American Recovery and Reinvestment Act of 2009, requiring statutory authorization subsequent to the effective date of the section before an expenditure by PennDOT, a political subdivision or a metropolitan planning organization may be made.

**Status: House Transportation**

### **HR 117 - (Petri)**

(PN 841) Resolution directing the Legislative Budget and Finance Committee to study intermodal transit in southeastern Pennsylvania and produce a report by August 31, 2009.

**Status: House Transportation**

## Legislative Update—Continued

### **SB 693 - (Rafferty)**

(PN 772) Amends Title 74 (Transportation) adding a part entitled Transportation Infrastructure. The bill establishes that a proprietary public entity has full authority to enter into so-called "Public Private Partnerships." The public entity would be permitted to enter into a transportation development agreement with an authorized development entity or entities governing the development or operation of all or any portion of a transportation facility, with exceptions.

**Status:** *Senate Calendar*

### **HB 1118 - (Petri)**

(PN 1314) The Rebuild Pennsylvania Infrastructure Assistance Act authorizes the incurring of indebtedness, with approval of the electors by referendum, of \$400,000,000 for the acquisition, repair, construction, reconstruction, rehabilitation, extension, expansion and improvement of PA Infrastructure, including roads, bridges, railroads and dams, etc. The bill stipulates all bonds sold under the act are to be appropriated on a continuing basis to PENNVEST for the purpose of making loans and grants.

**Status:** *House Appropriations*

### **HB 1235 - (Carroll)**

(PN 1468) Amends the Worker and Community Right-to-Know Act providing an employer that owns or operates a Class I railroad company shall provide emergency breathing apparatus for employees who are crew members and may be exposed to hazardous substances that are or may become airborne while the employees perform their official duties. The employer shall also provide the employees with appropriate training to operate the emergency breathing apparatus; the Department of Labor and Industry shall prescribe rules and regulations to establish specifications for emergency breathing apparatus and training requirements.

**Status:** *House Labor Relations*

### **HB 1510 - (Geist)**

(PN 1870) Amends Title 74 (Transportation) establishing public-private transportation partnerships; conferring powers and duties on the Pennsylvania Public Utility Commission, the State Transportation Commission and the Department of Transportation; and establishing the Public-Private Transportation Partnership Fund.

**Status:** *House Transportation*

### **SB 871 - (Boscola)**

(PN 1045) Amends Title 66 (Public Utilities) by requiring public utilities engaged in railroad operations to erect whistle post signs in accordance with the act.

**Status:** *Senate Consumer Protection and Professional Licensure*

### **SB 703 - (Kasunic)**

(PN 1034) Amends the Rail Freight Preservation and Improvement Act, further providing for the Rail Freight Advisory Committee by increasing its membership to 29 members and adding 5 members from organized labor.

**Status:** *Senate Transportation*

### **SB 948 - (Wonderling)**

(PN 1133) Amends Titles 74 (Transportation) & 75 (Vehicles). Amends Title 74 providing for each fiscal year beginning July 1, 2010, and each year thereafter, not more than \$523 million may be expended or transferred from the Motor License Fund for operation of the Pennsylvania State Police. Also adds a new chapter relating to transportation infrastructure partnership and development in the establishment of the Pennsylvania Transportation Development Fund. Amends Title 75 increasing certain registration and licensing fees.

**Status:** *Senate Transportation*

### **HB 1741 - (Carroll)**

(PN 2214) Amends Title 66 (Public Utilities) providing for whistle post signage by stating that whistle post signs must be placed on the right side of the track a quarter-mile from the nearest crossing, to notify engineers to blow their whistle as a public warning. The bill also requires the maintenance of the whistle post signs.

**Status:** *House Transportation*

## Legislative Update—Continued

### **HB 1724 - (Longietti)**

(PN 2176) Amends the Rail Freight Preservation and Improvement Act, further providing for the Rail Freight Advisory Committee by increasing its membership to 29 members and adding 5 members from organized labor.

**Status:** *House Transportation*

### **SB 1047 - (Scarnati)**

(PN 1339) Amends the Rail Freight Preservation and Improvement Act extending contractual authority to wholly owned railroad affiliates.

**Status:** *Senate Transportation*

## KSRRA Calendar—Important Dates

August 3-14	2009 RFAP Application Period (ends 12 noon on the 14th)	
October 11-13	ASLRRRA Eastern Region Meeting	Indianapolis, IN
October 27	KSRRA Annual Meeting	Harrisburg, PA
October 28	RFAC Meeting	Harrisburg, PA

# WELCOME

## KSRRA Welcomes New Railroad Member

The Keystone State Railroad Association welcomes a new railroad member to the team, The Wellsboro and Corning Railroad Company. The Wellsboro and Corning line runs from Wellsboro, PA to Corning, NY. We are happy to have them join our association and we look forward to working with them to continue to advocate for the railroad industry in Pennsylvania. Our strength is in our numbers and the quality of service our industry provides to its customers and to the Commonwealth. Welcome to the team!

**Please visit the KSRRA website at [www.ksrra.com](http://www.ksrra.com).**

### Contacting the KSRRA Staff

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If you have information to submit for upcoming monthly newsletters, please contact Emily Luckenbill. Her contact information is below:

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Please visit the KSRRA website at [www.ksrra.com](http://www.ksrra.com) and learn more about railroading in Pennsylvania.